The 2015 Sustainable Development Report of HAGL focuses on recording the Group’s significant activities in association with sustainable development issues in 2015 via 6P model: Productivity, People, Planet, Partners, Portfolio and Profit. To step by step achieve this goal, HAGL goes for 4 concentrated points:

1. **ENVIRONMENT PROTECTION**, the Group’s activities and initiatives bringing positive effects to living environment and planet.
2. **ECONOMIC DEVELOPMENT** towards sustainable orientation.
3. Support for and contribution to the living improvement of employees and community — society.
4. **MUTUAL DEVELOPMENT** — association with related parties for sustainable development.
5. **PRODUCTIVITY**
6. **PORTFOLIO**
7. **PARTNERS**
8. **PEOPLE**
9. **PLANET**
10. **PROFIT**

This report is formed in accordance with the G4 Sustainability Reporting Guidelines of Global Reporting Initiative (GRI).

**Fiscal year:** 01 January 2015 – 31 December 2015

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Please visit HAGL’s website at [www.hagl.com.vn](http://www.hagl.com.vn) for more details of sustainable development activities.
CREATING THE BACKGROUND FOR DEVELOPING LOCAL, NATIONAL AND REGIONAL ECONOMY

In addition to those values directly contributed to local and the State budget, the Group’s investments in large-scale projects in Western Highland, Laos, Cambodia and Myanmar strongly helped boost the development at project areas by creating jobs for thousands of villagers. By leading the investment in advanced technology applicable to agribusiness, HAGL gradually helped change living habits of the local people from the primary lifestyle to industrial and settlement lifestyle which could improve their living standards and provide them incomes. Also, HAGL actively conducted social welfare programs at local areas including building infrastructures such as roads, bridges, airports, hospitals, schools, wells, resettlement areas,…

Gaining some first achievements in business activities in Laos, Cambodia and Myanmar, HAGL was trusted by the Governments of those countries, cementing the friendly relation, accelerating commercial exchanges between neighboring countries and pushing the regional economy as well.

Creating values for shareholders and investors, the best profits for its employees and values for shareholders and investors, simultaneously developing the national economy.

EMPLOYING LOCAL PEOPLE AT THE PROJECT AREAS

Employing local people means a lot of importance in HAGL’s socio-economic development strategy. At the plantations, processing plants, real estate projects, etc. thousands of local employees have been recruited and trained by foreign and Vietnamese experts. The employees have labor contracts with lots of benefits and are arranged accommodation at the resettlement areas built by HAGL.

INCREASING ECONOMIC EFFECTIVENESS BY APPLYING PRACTICAL SOLUTIONS

In determination of agriculture as a key strategy, HAGL made systematic investments, applying modern methods for the Group’s sustainable orientation.

DOING RESEARCH AND LEARNING EXPLOITATION POTENTIALITY

Prior to the decision to invest in agriculture in Laos and Cambodia, HAGL conducted research, analyzed soil, water resources and made farming trials. Accordingly, HAGL could accurately identify climate conditions, nutritional ingredients of soil, and needs of water and nutrition for trees and animals. This stage was a very important premise on which HAGL successfully planted rubber trees, oil palm, sugarcanes and raised cattle as today.

SELECTING EXCELLENT SEEDS MATCHING THE FARMING CONDITIONS

HAGL works on the criterion of choosing products adaptable to farming conditions at the Group project areas from reliable suppliers. For instance, HAGL’s cattle are 100% imported from Australia, or the grass with high protein content and productivity used as cattle feed is originated from Thailand.

BUILDING CLOSED PROCESS OF CROP – LIVESTOCK FARMING

The closed network of crop - livestock farming enables HAGL to take full advantages of all products and by-products made from all of the Group’s operating sectors, optimize the productivity while minimizing the wastes, reducing manufacturing costs, creating competitive advantages for output products and helping protect environment as well.
The application of modern technology to agribusiness determined by HAGL will result in increased productivity, liberation of manual work and declined costs.

**Israeli drip irrigation system:** Ensuring water and nutrition supplies for trees, helping them grow vigorously even in the dry season; optimizing the amount of water and fertilizer; saving weeding cost.

**Mechanization of all steps in the cultivation and production procedures:** For high productivity and good product quality with lower costs, HAGL made comprehensive investments in machinery and equipment, applied advanced technology and science from the stages of tilling soil, arranging pipes, seeding, fertilizing, ... to harvesting and processing stages.

In livestock sector, HAGL constructed the farm system of Australian standards from growing grass, harvesting to grinding, mixing and scattering feed, cleaning cages.

**DEVELOPING HUMAN RESOURCES**

Running and managing crop-livestock farming process at HAGL require qualified laborers. Therefore, HAGL invited experienced experts from Australia, Israel, ... to run, to transfer technology and to technically train Vietnamese workers.

Cost invested in modern technology and science accounts for 30% of that invested in agriculture.

**APPLYING INITIATIVES AND INTERNATIONAL STANDARDS**

Having operations in various sectors and in different countries, HAGL puts the focal point in ensuring governance efficiency, reasonably allocating resources and tightly controlling business and production process. Thus, initiatives and international administrative standards were applied to the Group’s operations, including SAP ERP system, ISO 9001:2008 quality management system...
Human resource is the fundamental foundation for an enterprise’s success and the element ensuring creativity as well as the one directly running the Company’s operations. Being aware of this principle, HAGL pays much attention to the development of personnel policies and working environment in order to create the best conditions for employees to promote their abilities.

1. RESEARCH ON AND PLAN FOR HUMAN RESOURCES

During its course of operation, HAGL proactively analyzes the need for necessary labor force based on the following criteria: Right quantity, right time, right person and right task. This enables HAGL to meet the human resource requirements, and ensures that the Company is out of the shortage of labor force or the situation of excessive employees over task shortages.

2. RECRUITMENT AND TRAINING POLICIES

Recruitment

The recruitment of new employees is implemented by assessing their abilities, experience, qualifications and skills suitable to each position. We respect diversification and heighten fair chances regardless of their sexes, religions or nationalities. Female employees share the same working conditions, ability development and promotion to male employees. HAGL does not employ school-age children for project areas.

Training and skill development for employees

HAGL encourages and creates the most favorable conditions for its employees to maximize their working abilities. The Group regularly organizes training courses in different sectors to improve quality, enhance professional skills and develop the potential of each employee. In determination of long-term investment and development at foreign countries, HAGL appointed staff and students to study at National Universities of Laos, Cambodia and Myanmar.

3. CORPORATE CULTURE

Unity is the Group’s core value. From the establishment date up to now, HAGL has achieved sustainable developments thanks to all of its members who have always stood together with oneness of mind, shared all working values and kept unanimity towards the Group’s success.

Leaders and employees: HAGL’s Leaders always care for, listen to and exchange information with employees. These Leaders act as advisors, giving inspiration to their junior staff in a clear and identified direction that help increase trust and loyalty to employees. HAGL’s employees are encouraged to directly work, contribute opinions and make personal comments to their Leaders.

Employees and employees: Each employee is a single piece bearing their own identity together forming a harmonious and powerful HAGL Group. To strengthen the spirit of cooperation and mutual assistance among the employees of the Company, HAGL regularly organizes courses of teambuilding and develops team works in order to both improve the work efficiency and strengthen the solidarity among individuals.

Employees and customers: Activities carried out by the Company and its employees all aim to the highest target that is to satisfy all customers’ needs. To achieve such a goal, HAGL organizes training courses on friendly and professional behaviors in order to form a methodical and trusted working style of the employees towards customers and partners. Accordingly, this will increase the efficiency of transactions and negotiations of HAGL.

4. WORKING ENVIRONMENT

A friendly and fair working environment is promoted in the Company, helping create forces for productivity improvement. The Group invests in building spacious infrastructures that give comfortable working spaces for its employees to promote their creativity, helping increase working efficiency and accelerating the Company’s development.

Labor safety

In order to minimize risks in production, HAGL built up safely operational procedures for its employees in conformity with standards provided by the local authorities and local regulations on labor safety of Vietnam, Laos, Cambodia and Myanmar.

The Group released policies on labor safety and environment sanitation. Besides, HAGL regularly inspected and assessed the implementation thereof at project sites, organized training courses on accident prevention for laborers, provided adequate labor safety equipment such as clothes, helmets, shoes, glasses, ... depending on their working environment, invested in and improved production technology to ensure safety for employees.

Health care services

Medical examination is provided for the Group’s employees once per year. Also, employees enjoy 50% of medical examination costs and 100% of treatment costs for cases caused by occupational accidents supported by Medical University - Hoang Anh Gia Lai Hospital.

Salary, bonus and welfare policies

In order to stimulate the working spirit as well as to promote the staff’s working creativity and efforts, HAGL has developed its fair salary and bonus policies based on such criteria as capacity, work performance, contribution to the Group’s development.

All policies of welfare, health insurance, social insurance, and unemployment insurance are implemented in accordance with the prevailing Labor Codes applied at the host countries. In addition, laborers can enjoy other welfare packages such as bonuses on public holidays, annual leaves, etc.

The Group has a preferential policy for local employees with good qualifications and working ethics, who have worked in big cities and would like to work with the Group in Pleiku City and project locations. The Group also provides company buses and houses right at the project sites to help them feel secured doing their jobs.

<table>
<thead>
<tr>
<th>Activities</th>
<th>Training contents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Periodical training in tapping latex in Vietnam, Laos and Cambodia</td>
<td>Courses are opened regularly during the year from March to supplement tapping workers.</td>
</tr>
<tr>
<td>Training at Medical University – HAGL Hospital</td>
<td>• In 2015, 14 training classes were opened to enhance professional skills at the hospital for 625 trainees.</td>
</tr>
<tr>
<td>• 2 classes of professionally medical training and communication skills for 165 people undertaken by a lecturer from University of Medicine and Pharmacy, Ho Chi Minh City.</td>
<td></td>
</tr>
<tr>
<td>Periodically held to improve skills for new or low-skilled workers.</td>
<td></td>
</tr>
<tr>
<td>Training in growing and nursing sugarcane and oil palm</td>
<td>Periodically held to improve skills for new or low-skilled workers.</td>
</tr>
</tbody>
</table>

20,814

Employees currently working at HAGL

24% female | 19% female executive | 76% male | 81% male executive

Total salary paid to the Group’s employees:

$ VND 53 BILLION
Besides its profit target, HAGL always puts the community responsibility and social life development in a focal point. With all employees’ supports, HAGL regularly engaged in essential activities to support the communities in the spirit of reciprocation of kindness and assistance in Vietnam, Laos, Cambodia and Myanmar.

Following the spillover effect of charity-sponsor activities performed in 2014, HAGL continued to bring more social welfare programs to deprived areas, mainly including infrastructure construction, health care and education services provision, development of people’s cultural and spiritual life, etc.

INFRASTRUCTURE INVESTMENT

HAGL upgraded Pleiku stadium to the one with a capacity of over 10,000 seats for sports events of the province and its residents. Moreover, the Company built roads and electricity lines serving essential daily needs of inhabitants in Phu Cat District, Binh Dinh Province.

CULTURE AND EDUCATION

Besides infrastructure investment, HAGL heightens the investment in culture and education. In 2015, HAGL financed the statue construction of the national hero Hung Dao Vuong Tran Quoc Tuan in Pleiku City, Gia Lai Province. This is one among other works in commemoration of national heroes and heroic martyrs who sacrificed for the country establishment and defense.

HAGL invested in building up Le Anh Xuan primary school in District 7, Ho Chi Minh City for the total amount of VND 10 billion in sponsorship. Every year, the Group appropriates its profit to support Study Promotion Funds in Gia Lai Province.

ECONOMIC LIFE

With the guideline of “Joining hands to build a better society”, social welfare and sponsorship programs have become HAGL’s regular activities such as supporting Fund for the Poor, Blind Association, Children Patronage Center, Agent Orange Fund, donating to people living in flooded areas, giving Tet gifts to deprived households, etc. Those social activities are not only from the Group’s profit but also from its staff’s contributions personally. Also, HAGL - Arsenal - JMG Football Academy and HAGL Football Club frequently organize charity programs at Children Patronage Center in Gia Lai and Khanh Hoa, help the helpless elderly, …

Moreover, in 2015, HAGL gave breeding cattle to the poor, contributing to the poverty alleviation in Quang Nam Province.

HEALTH CARE

After a course of 4-year operation, being well-equipped with modern devices and great-experienced medical staff, MPU-HAGL Hospital is currently performing medical quality improvement very well for residents in Western Highland provinces. In 2015, the hospital provided examinations and treatments to 201,804 cases, over 12,000 cases of inpatient treatments, 3,500 cases of surgery, of which 30% was endoscopy surgery.

Apart from providing diagnoses and treatments within its site, the hospital regularly carried out social activities, comprising of organizing Mid-Autumn Festival for children right at the hospital, humanitarian diagnoses and treatments, programs of providing diagnoses, drugs and free ocular operations at far-off areas in Gia Lai Province in particular and also in Laos and Cambodia.

In the future, setting itself a goal to become the first modern model of University – Hospital in Western Highlands, the hospital would be invested in constructing one additional 10-storey building, increasing the capacity to 500 beds, continuously purchasing cutting-edge equipment and enhancing professional skills for medical staff, with the hope that the hospital is capable of performing both domestic and international medical techniques and helping develop medical conditions for ethnic people there.

Detailed information about the budget allocations:

- **Over 5 billion**: Amount for social works in Vietnam in 2015
- **400 million**: Construction of roads and electricity lines for residents at Phu Cat District, Binh Dinh Province
- **863 million**: Allowances, gifts, support for charity funds in Gia Lai Province
Employing a highly-skillful and devoted way of playing, completing satisfaction of their fans as usual, HAGL - Arsenal - JMG Football Academy kept on its tremendously proud contribution to Vietnam Football by their win of the title of Thanh Nien Newspaper U21 International Football Championships against other leading teams such as Thailand, Myanmar and Korea.

In parallel with professional skill improvement, HAGL players frequently showed their social responsibility through their attendance in community activities and charity programs to alleviate the misfortune of many lives: donations to flooded areas, visits and gifts for disabled children, orphans and the elderly at Social Patronage Centers in Ho Chi Minh City, Gia Lai Province, Khanh Hoa Province, ... With popular images imprinted on fans’ heart, HAGL was invited, for the second time to represent UNFPA in the campaign for ending violence against women and girls. This was an honor and responsibility as well of HAGL young players in communicating messages on gender equality to Vietnam youth.

HAGL Arsenal JMG Football Academy has been training young talent generations, as its mission, not only in professional skills but ethics as a part in positive changes of Vietnam Football.
In 2015, the Group continuously performed the “Community development” program in Cambodia as previously committed by HAGL’s Leaders via practical supports to upgrade basic living standards of villagers around the project sites.

INFRASTRUCTURE DEVELOPMENT

The Group constructed a 200-bed hospital, 2,000 houses for workers to live and work right at the project sites with the total value of USD 3,500 for each house, All houses are fully provided electricity, water, toilets, together with complete medical services for each cluster of villagers.

INFRASTRUCTURE INVESTMENT

In the between-crop period in April 2015, the Company visited and provided 10kg rice and one carton of noodles for each of 349 households.

FOOD AND FINANCIAL SUPPORT

In delivery of commitment with Laos Government to support the construction of new administrative center for Phu Vong District, Attapeu Province, up to now, the Group has completed 20% of the work with the total investment of USD 3 million.

HEALTH CARE

Addition to such construction of 200-bed hospital at Attapeu addressing diagnose and treatment within the hospital and enhancing medical conditions for local people, every year, Lao villagers, workers, employees and staff are facilitated to travel to HAGL MPU Hospital for free treatment.

Moreover, HAGL actively finances and supports villages, districts, provinces to organize festivals, Tet holidays, partially establishes sports activities, and finances Lao students to study in Vietnam,

Added by the Company’s support, we feel so warm and happy; to some extent, villagers here will not concern about their meals or have to suffer starvation any more, as before.

Mr. So Khum
Local villager shared

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Local villager shared

Children in Attapeu, Laos came to school built by HAGL

Children in Attapeu, Laos came to school built by HAGL

Cows and cash were delivered to support villages.

Cows and cash were delivered to support villages.
With the total investment of USD 440 million, HAGL Myanmar Center is currently the largest investment project in Yangon, which is very meaningful to the socio-economic developments of Yangon City in particular and Myanmar as a whole; helping improve and strengthen the good relationship between Vietnam and Myanmar. Once it is put into operation, the project is planned to provide 2,500 stable jobs for local laborers and add millions of dollars to the annual budget of Myanmar.

Not focusing only on business, HAGL Myanmar always strives to implement its social responsibility through community programs. Recently, HAGL Myanmar has paid a visit to two Patronage Centers for Orphans and Children in Special Circumstances in Yangon City. This was a very meaningful trip after a survey for those children’s wish had been made before the trip. Accordingly, HAGL Myanmar’s staff could deliver the right gifts to each of the children there.

In coming years, the company will continually develop much more meaningful activities in the city.

Being thoroughly aware of the crucial role of the environment on production and sustainability, we strive to develop measures on effective utilization of natural resources, comply with regulations on ecological environment protection and on potential exploitation of renewable energy resources and minimize negatively environmental effects...
MINIMIZING ENVIRONMENTAL EFFECTS

• Establishing a closed production process: The Company takes full advantages of by-products including bagasse, molasses, corn stalks and seeds to use as cattle feed; and uses manure to fertilize plants. Given such closed production process, the Group’s factories and farms could minimize hazardous wastes into the environment, protect the land and water resources around the projects.

• Applying the Israeli drip irrigation system: This system helps save up to 50% – 70% of water, minimize the excessive amount of fertilizer, reduce negative effects on soil and groundwater, improve internal microclimate, and prevent the soil from being eroded or impoverished.

EFFECTIVELY EXPLOITING RENEWABLE RESOURCES

• Making use of agricultural by-products such as bagasse, palm oil residues to generate power serving the entire project. Currently, the thermo power plant using bagasse as feedstock is under efficient operation.

• Striving to perfect the waste treatment system: Wastes after production are reused when passing through the treatment system, which helps minimize environmental pollution, protect water resources and save costs.

COMPLYING WITH THE LAW ON ENVIRONMENT PROTECTION

• The Group’s operations are in compliance with the environmental laws and regulations released by the Governments of Vietnam, Laos, Cambodia and Myanmar. Up to now, HAGL has received approval on the Environmental Impact Assessment Report of 17 projects in Vietnam, 10 projects in Laos and 03 projects in Cambodia.

• HAGL has established the Environment Department in charge of implementing production control measures in compliance with the regulations on environment protection at present and afterwards.

• During the reclamation and cultivation process, HAGL always requires its partners and subcontractors to comply with the project boundaries as granted by local governments, not to violate the buffer zones of the major rivers and streams in the project areas as well as wild animal and plant reservation areas as regulated.

• In November 2015, HAGL officially promulgated Regulations on utilization of chemicals as per laws, placing maximum limit of the use of pesticides and chemical products to minimize negative impacts on land, water and human health.

• In order to ensure livelihood benefits around the projects as well as undertake corporate responsibilities and obligations upon the investment, HAGL issued Mechanism on receiving and responding to feedback and petition of individuals around the projects to promptly rectify any environmental and social impacts during investment.

• HAGL has cooperated with Bureau Veritas – an international organization in testing, evaluating and certifying the implementation of commitments on sustainability towards the community value protection and natural resources preservation.

• In 2014, HAGL applied the ISO 9001:2008 quality management system to its oil palm project in Cambodia. This system helps the Group control the production process from the input stage to the output one clearly and accurately. Therefore, all of HAGL’s agricultural products to be launched into the market can ensure all environment protection standards. HAGL is on its route to get Global GAP Certification on its agricultural products and applying SA 8000 or RSPO standards ... to farming as well.

RAISING INDIVIDUAL AWARENESS TOWARDS ENVIRONMENT PROTECTION

To have good performance “For green environment”, the Group concentrates on raising the awareness of every HAGL’s employee.

• Launching a saving movement by using two-sided paper to print documents or for other use.

• Gradually developing the Sustainable Development Report on mobile version to minimize the printing and wasting of paper resource.

• Consistently guiding the execution of Regulations on utilization of chemicals for subsidiaries’ workers in Vietnam, Laos and Cambodia to ensure the comprehensive and strict implementation.

All HAGL’s staff and employees are called for awareness of environment protection and joint contribution to the sustainable development from practical actions.
Based on confidence, sharing, and cooperation for mutual benefit, retaining long-lasting interests between related parties; respecting transparency; observing entrepreneurial code of ethics, HAGL attaches special attachment to building and developing sustainable relationship with the parties involved.

1. SHAREHOLDERS, INVESTORS
Making transparent all business activities, regularly updating information in order to strengthen the confidence and improve the relationship between the company and its investors creating solid unity:

• Proactively disclosing reliable, precise information about business operations, financial positions by way of annual reports, financial statements, press releases, websites of the company, HOSE, and mass media, etc.

• The Group leaders always appreciate the shareholders’ and investors’ comments via face-to-face meetings, press conferences, general meeting of shareholders, etc.

• Regularly organizing site trips, visiting the Group’s project sites in Vietnam, Laos, Cambodia and Myanmar, providing investors a comprehensive view of the Group’s activities.

• Ensuring the investors’ interests.

2. CUSTOMERS AND PARTNERS
At present, HAGL is working in collaboration with Nutifood for production and consumption of pure fresh milk; entering into a management service contract with an established hotel management group for operating Melia Yangon hotel; working with CBRE in managing and exploiting Myanmar Center Plaza, etc. With such cooperation, HAGL and its partners are able to produce high quality products and services to supply to the market.

3. EMPLOYEES
• HAGL encourages its employees to talk directly with the leaders, making contribution to the Group’s production and business activities.

• Communicating, updating information for the employees via intranet, email, telephone, online meetings.

• Promoting unity among the employees through informal gatherings, birthday parties, teambuilding, etc.

4. MEDIA AGENCIES
Media agencies serve as a bridge between HAGL and the parties concerned, making information about the Group’s activities explicit, precise, for the investors, customers and the public who are concerned.

• HAGL exchanges and shares information with press agencies in HAGL’s press conferences and events as well as seminars on the sectors the Group is involved in.

• Journalists are invited to participate in most of the Group’s activities.

• Announcing press releases, doing interviews in order to provide and update latest news related to the Group.

5. SOCIAL COMMUNITY
All the Group’s activities are aimed at the target of improving the livelihood of the local communities through active supporting programs like:

• Priority is given to employment of the local human resources in order to create jobs, generating steady income for the people.

• Together with the local authorities, building basic facilities such as housing, roads, wells, hospitals, schools, etc. improving the people’s livelihood.

• Conducting charity programs, providing free health examinations, supplying food to deprived people.

• In cooperation with schools, hospitals and charities organizations supporting, creating conditions for underprivileged children.

6. SUPPLIERS
A supplier is one of the key elements in HAGL’s solid value chain. Responsible for the output of the production process, the partners picked by HAGL who are supplying technology, technique, printing, plant varieties, breeds, etc. are established contractors, satisfying requirements of quality and ensure compliance with environmental principles, typical of which is the supply of cow breeds and cow caring technology from reliable Australian partners. That makes HAGL’ livestock farming projects effective and minimize detrimental impact on environment.

The cows imported from Australia meet the requirements of the Exporter Supply Chain Assurance System (ESCAS) by the government of this country to regulate the export of Australian livestock to abattoirs to provide humane treatment to livestock.

7. GOVERNMENT, AUTHORITIES AND AGENCIES
HAGL is among the enterprises highly estimated by the host countries for its remarkable contributions to the building and development of the countries, cementing the relationships between Vietnam and the countries where HAGL is making its investments in:

• Investment on economic development of the local communities, improving the people’s livelihood.

• Participating in conferences and seminars held by government, ministries and other agencies for voicing comments.